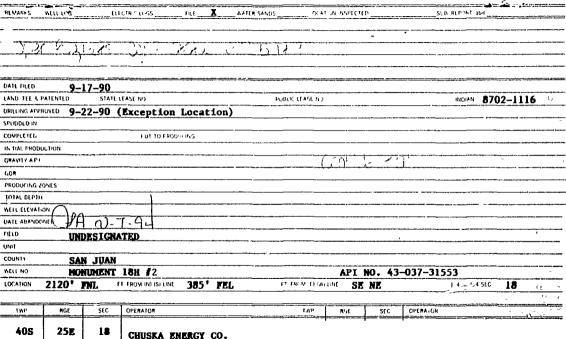
UTAH OIL AND GAS CONSERVATION COMMISSION





CHUSKA ENERGY COMPANY

3315 BLOOMFIELD HIGHWAY • FARMINGTON, NEW MEXICO £7401 • PHONE (505) 326-5525
PO BOX 780 • FARMINGTON, NEW MEXIC 0 £7499

13 September, 1990

State of Utah Department of Natural Resources Division of Oil, Gas and Mining 355 West North Temple 3 Triad Building, Suite 350 Salt Lake City, Utah 84180-1203



Ref:

Application for Permit to Drill Monument 18H-2 Well, San Juan County, Utah

Gentlemen

Attached for your examination and approval is the original and two copies of an Application for Permit to Drill the Monument 18H Well No. 2 in San Juan County, Utah. This well will be drilled as part of an ongoing exploration program.

The location for this well falls outside the guidelines for the State of Utah spacing requirements. However, the well has been sited so as to allow well bore to penetrate the structure in an optimal position for development of geological structures which have been identified by seism cointerpretation. We therefore apply for an exception to the General State Spacing requirements. Chuska Energy controls the acreage surrounding the proposed site, as indicated on the attached land plat

Please advise if you require additional information concerning this application. Chuska Energy will greatly appreciate your prompt consideration.

Sincerely,

Larry G. Sessions Operations Manager

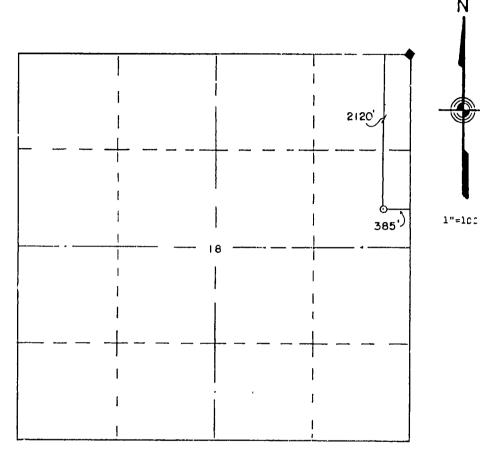
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STATE OF UTAH DIVISION OF OIL, GAS AND MINING

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12 1/4"	8 5/8"	24 lb	500'	171 sv	'G' + 2% CaCl2	
7 7/8"	5 1/2"	15.5 lb		135 sx	'G', 65.35 Poz + 6% G	el
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WILL LOCATION AND ACREAGE DEDICATION PLAT



WELL LOCATION DESCRIPTION:

CHUSKA ENERGY COMPANY, Monument 18 - H - 2
2120'FNL & 385'FEL

Section 18, T.40 S., R.25 E., SLM
San Juan, UT.

4935' ground elevation

State plane coordinates from sesmic control:

x = 2,667,372 y = 242,699

The above plat is true and correct to my know bedge and

29 August 1990

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CHUSKA ENERGY COMPANY

ACREAGE POSITION UNDER THE 1987 OPERATING AGREEMENT

CHUSKA: T40S-R25E, SAN JUAN COUNTY, UTAH

CHUSKA ENERGY COMPANY

10 POINT DRILLING PLAN

Monument 18H Well No 2 Section 18, Township 40S, Range 25E 2120' FNL, 385' FEL San Juar County, Utah

1. SURFACE FORMATION

Geological name of surface formation: Morrison

2. ELEVATION

Surface elevation is 4935' GR.

3. FSTIMATED FORMATION TOPS

Depth	<u>Formation</u>	<u>Sub Sea</u> <u>Elevation</u>
Surface 1,010'	Morrison Navajo	+ 4,935' + 3,925'
1,695'	Chinle	+ 3,240'
2,770'	DeChelly	+ 2,165' + 2,000'
2,935' 3,610'	Organ Rock Cedar Mesa	+ 1,325'
4,720'	Hermosa	+ 215'
5,650'	Upper Ismay	~ 715'
5,755	Lower Ismay	- 820'
5,815'	Desert Creek	- 880' Primary Objective
5,990'	Akah	- 1,055'
6,040'	Total Depth	- 1,105

4. PROPOSED CASING/CEMENTING PROGRAM

	<u>Depth</u>	<u>S1ze</u>	<u>Weight</u>	<u>Grade</u>	Coupling
Surface		8 5/8"	24 lb	K-55	STC
Production:		5 1/2"	15.5 lb	K-55	STC

Surface Cementing:

371 sx (427 $\rm ft^3$) Class 'G' cement with 2% CaCl, and 1/4 lb/sk Celloflake. Weight = 15.8 ppg, yield = 1.15 $\rm ft^3/sk$. Slurry volume calculated at 100% excess over annular volume.

Production Cementing:

First Stage

T.D. to 3,500' (stage collar @ \pm 3,500'). Lead with 201 sx Class 'G' cement, 65:35 Pozmix, with 6% gel and 1/4 lb/sk Celloflake Weight = 12.7 ppg, yield = 1 85 ft/sk. $\overline{\text{Tail}}$ with 179 sx Class 'G' cement with 2% CaCl₂. Weight = 15.8 ppg, yield = 1.15 ft¹/sk. Total of 578 ft¹. Bring Class 'G' slurry to 500' above top of Upper Ismay. Cement volumes calculated at 30% excess in open hole.

Second Stage

3,500' to surface <u>Lead</u> with 355 sx Class 'G' cement, 65:35 Pozmix with 6% gel and 1/4 lb/sk Celloflake. Weight = 12.7 ppg, yield = 1.85 ft/sk. <u>Tail</u> with 100 sx Class 'G' cement with 2% CaCl_2 . Weight = 15.8 ppg, yield = 1.15 ft³/sk. Total of 772 ft. Cement volumes calculated at 30% excess in open hole.

Note:

Exact slurry volumes for the production string will be adjusted according to the caliper log which will be run prior to cementing. Special adjustments may be necessary if significant amounts of salt are drilled.

5. BLOWOUT PREVENTER (See attached schematics)

As abnormal pressure is not anticipated, a 2,000 psi BOP system would be sufficient for the drilling of this well. However, tue to availability constraints, a 3,000 psi system will be used, as per the attached Exhibits "A" and "B". This will be a 10" x 900 Series double ram preventer, equipped with a set of pipe and blind rams.

An accumulator system, with a pressure capacity sufficient to operate the rams three complete cycles without rig power, will be required as part of the rig equipment.

6. PROPOSED MUD PROGRAM

Surface to 5,000'

Fresh water, gel, lime and native solids. Weight 8.3 - 8.7 ppg. Gel/lime sweeps as necessary for hole cleaning.

5.000' to T.D.

Low solids, non-dispersed polymer system. Weight 8.6 - 9.5 ppg. Gel/lime sweeps as hole conditions dictate for hole cleaning. Fluid loss to be maintained at 15 - 20 cc. Fluid loss to be further reduced to 15 cc or less prior to coring, logging or DSTs.

7 AUXILIARY EQUIPMENT

- A. A kelly cock will be installed during drilling operations, with handle available on the rig floor.
- B. Floor (stabbing) valves will be available, on the rig floor at ill times, with necessary subs to fit all of the drilling assemblies
- C. Mud will be the circulating fluid. No abnormal formation pressures are expected.

8 WELL EVALUATION

Open hole electric logging program will consist of a minimum program of DLL-MSFL-SP-GR-Cal, FDC-CNL-GR-Lithodensity from T.D. to $4,500^{\circ}$.

Coring and/or drill stem testing will be as per the wellsite geologist's recommendations, based on shows. A mud logging unit will be utilized during drilling operations from at least 500' above the Upper (smay).

9. ABNORMAL PRESSURES/GAS

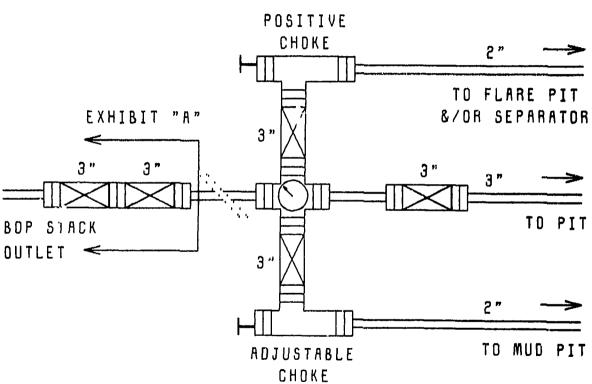
Abnormal pressures are not anticipated. Monitoring of gas and hydrocarbon shows will be by wellsite mud logging unit. H,S gas is not anticipated, however regular checks will be made while drilling the well

10. TIMING

The drilling and evaluation of this well is estimated to be 16 days. Anticipated spud date is 12-13-90.

EXHIBIT "A" BLOWOUT PREVENTER ROTATING HEAD MUD TO PIT PIPE RAMS RAMS BLIND EXHIBIT "B" 3 " 2 " DRILLING SPOOL KILL TO CHECK LINE CHOKE VALVE MANIFOLD CASING HEAD

EXHIBIT "B" CHOKE MANIFOLD



DETAILED DRILLING PROGRAM

DATE: 13 September, 1990

WELL NAME: Monument 18H WELL NO.: 2

LOCATION: Section 18, Township 40S, Range 25E

2120' FNL, 385' FEL San Juan County, Utah

ELEVATION. 4,935' GR

TOTAL DEPTH: 6,040' GR

PROJECTED HORIZON: Primary target is Desert Creek at 5,815'

DRILLING, CASING AND CEMENTING PROGRAM

- Move in and rig up rotary tools. Notify BLM of time of spud and intent to run surface casing.
- 2. Drill mouse hole and rat hole. Mix mud prior to spudding well.
- 3. Drill 12 1/4" hole to \pm 500'. Use fresh water gel/lime spud mud for drilling surface hole. Well bore inclination is not to exceed 1° at 500'. Deviation surveys will be run at least at 250' and at casing point.
- 4. Run 8 5/8", 24 lb/ft, K-55, STC casing to T.D. Cement with 371 sx (427 ft³) of Class 'G' cement with 2% CaCl₂ and 1/4 lb/sk Celloflake (sufficient slurry volume to circulate cement to surface)
- W.O.C. a minimum of 4 hours prior to nippling up BOP stack and related equipment. See BOP schematics for details.
- 6. Ensure that plug has been down at least 8 hours prior to commencing pressure testing procedures. Pressure test BOP to 2,000 psig for 30 minutes. Pressure test manifold and all related equipment to 2,000 psig. Pressure test casing to 1,500 psig for 30 min.
- 7. Drill out surface casing with 7 7/8" bit. Drill 7 7/8" hole to T.D. Deviation surveys are to be taken every 500' or on a bit trip, whichever occurs first. Maximum allowable deviation will be 5° at T.D., with the maximum allowable rate of change to be 1°/100'.
- 8. Run open hole logs and evaluate. Coring and/or drill stem testing will be as per wellsite geologist's recommendation.
- 9. If the well is determined to be productive, run 5 1/2", 15.5 lb/ft, K-55, STC casing to T.D. Set stage cementing collar at ± 3,500'. In addition to placing centralizers over potential production zones, they will also be run to cover the aguifer

sands of the Navajo and DeChelly formations, as per BLM stipulations Cement production casing in two stages as per cementing program in 10-point Drilling Plan.

- Nipple down BOPE. Set 5 1/2" casing slips and cut off casing. Install well head Release drilling rig and move rig off location.
- If well is non-productive it will be plugged and abandoned as per State, BLM and Navajo Tribal stipulations.

Monument 18H Well No. 2 Section 18, Township 40S, Range 25E 2120' FNL, 385' FEL San Juan County, Utah

GENERAL COMPLETION PROCEDURE

If the well is determined to be productive, move in completion rig. Perforate, acidize, and test each productive porosity zone. Completion work will commence after Sundry Notice approval is received. Detailed procedures will follow

PLUGGING AND ABANDONMENT

If the well is determined not to be productive, the well bore will be plugged as per BLM, State and Navajo Tribal requirements.

Monument 18H Well No. 2 Section 18, Township 40S, Range 25E 2120' FNL, 385' FEL San Juan County, Utah

SURFACE USE PLAN

1. EXISTING ROADS

Shown on the attached topographic map are the existing roads in the immediate area. Outlined is the route to be followed on the Hovenweep road Existing roads will be maintained, as necessary, while operations are in progress.

2 PLANNED ACCESS ROAD (SHOWN IN RED)

The access road will be as shown on the attached topographic map. The road will be flat bladed, constructed 14' in width and will be maintained as necessary to prevent excessive damage to the existing terrain. The road will be upgraded if commercial production is established. It is anticipated that approximately 500' of new road will need to be constructed to the location pad

3. LOCATION OF EXISTING WELLS & TANK BATTERIES

The location of the Monument 8N-2 well is indicated on the attached topographic man

4 LOCATION OF EXISTING AND PROPOSED FACILITIES

No production facilities are presently in place. Central facilities are shortly to be constructed at the Monument 8N-2 location. Should the will prove to be productive, production will be piped to their central facilities.

LOCATION & TYPE OF WATER SUPPLY

Water will be acquired from the San Juan River and will be hauled using Chuska Energy Company water trucks, under State of Utah Division of Water Rights Permit Number 09-1722, (T64794).

6. SOURCE OF CONSTRUCTION MATERIALS

The need for additional construction materials is not anticipated in the event that additional materials are required, they will be acquired either from private sources or with the approval of the Navajo Nation.

7. METHODS OF HANDLING WASTE MATERIAL

Trash will be contained on location in an enclosed bin. It will be hauled to an approved disposal site or burned on location if a burning permit is granted. The reserve pit will be lined, with an approved 7 mil liner, for containing drilling fluids. The pit will also be fenced. All drilling fluids, cuttings and chemical waste will be stored in the reserve pit. Liquid hydrocarbons will be stored in temporary storage tanks and hauled from location to approved sales facilities. The reserve pit will be emptied, back filled and restored to natural terrain status upon completion of drilling operations.

8. ANCILLARY FACILITIES

Chemical portable toilet facilities will be provided on location during drilling and completion operations. No camps or air strips are planned for this well.

9. WELL SITE LAYOUT

Attached is a surveyor's staking plat, cut and fill diagram and a schematic of the proposed rig layout.

10. PLANS FOR RESTORATION OF THE SURFACE

The location is laid out on an east/west trend and will require up to 12' of cut in the reserve pit (up to 8' of cut in the northeast corner of the location pad) and up to 6' of fill in the southwest corner of the location pad. Top soil removed from the pad will be stored at the well site. A reserve pit will be built on terrain containing sparse native vegetation. After drilling operations are complete, drilling fluid in the reserve pit will be allowed to evaporate. All remaining fluid in the pit will be disposed of into an approved disposal site. The reserve pit will remain fenced during the evaporation and disposal process. The pit will then be covered and the topsoil will be returned to the disturbed area. The terrain will be returned as near to its original condition as possible. Following operations, rehabilitation seeding will be in accordance with APD/BLM/BIA stipulations. There are no residents in the immediate area of the site.

11. OPERATORS REPRESENTATIVE

CHUSKA ENERGY COMPANY
315 NORTH BEHREND AVENUE
FARMINGTON, NEW MEXICO 87401
LARRY G. SESSIONS

12 CERTIFICATION

I hereby certify that either I, or persons under my direct supervision have inspected the proposed drill site and access route: that I am familiar with the conditions which presently exist: that the scatements made in this plan are, to the best of my knowledge, true and correct and that the work planned will be performed by Chuska Energy, or its sub-contractors, in conformity with the terms and conditions under which it is approved.

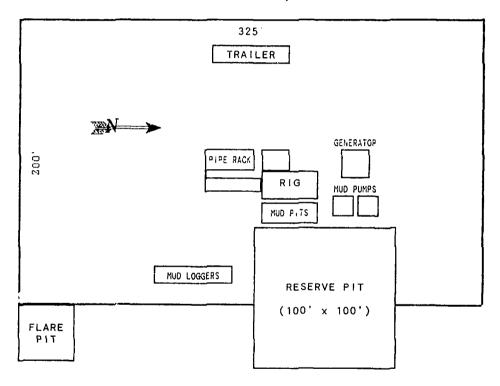
LARRY Q. SESSIONS Operations Manager

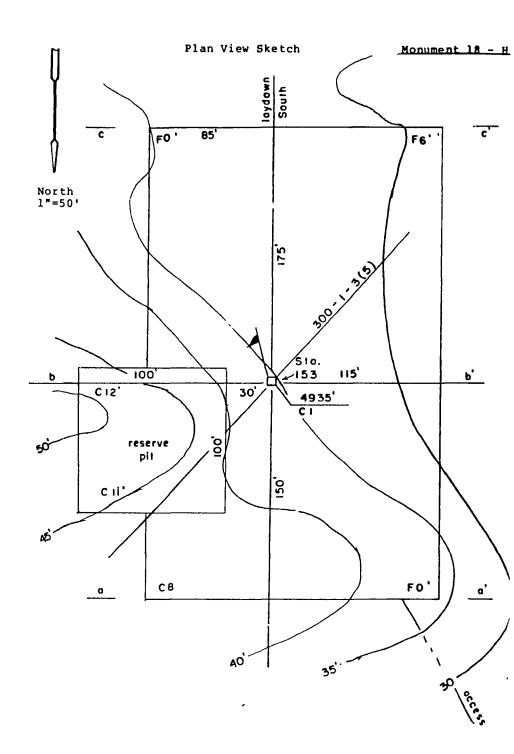
MONUME IT 18H-2

2120' FNL, 385' FEL

SECTION 18, TOWNSHIP 40S, RANGE 25E

SAN JUAN COUNTY, UTAH





Cut /// Fill -/.

1"=50' Horz. & Vert.



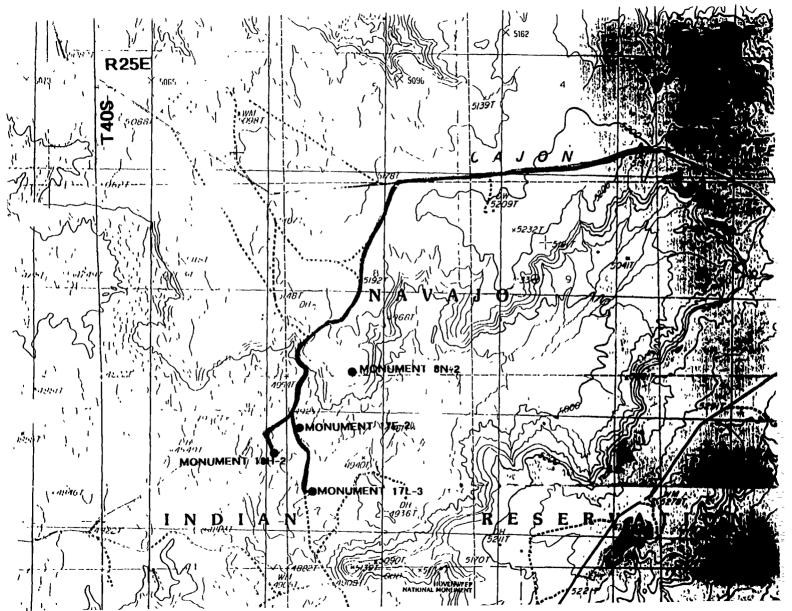
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TEMPORARY

FILING FOR WATER IN THE Fee Rec by— JUL 0 5 STATE OF UTAH JUN 2 9 1990 Receipt #— APPLICATION TO APPROPRIATE FATER Roll #— APPLICATION TO APPROPRIATE FATER Roll #—

For the purpose of acq uring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended)

WNER INFORMATION unc(s)Chuiska Energy Company	*FILING I	DATE	June 29,	. 1990	1
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ty Farmington State	New Mexico	Zıp C	ode <u>8749</u>	9	
the land owned by the applicant? Yes Nox					
UANTITY OF WATER:	cfs and/or	18			_ ac-ft
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nich is tributary to					
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TEMPORARY

STATE ENGINEER'S ENDORSEMENT

WATER RIGHT NUMBER: 09 - 1722

APPLICATION NO. T64794

1. June 29, 1990

Application received by MP.

2. July 2, 1990

Application designated for APPROVAL by MP and KLJ.

3. Comments:

Conditions:

This application is hereby APPROVED, dated July 13, 1990, subject to prior rights and this application will expire on July 13, 1991.

State Engineer 2

OPERATOR Chuka Enugy	00000 00	DATE 9-00-90
WELL NAME morument 18 H	#0	
	OSE COUNTY	Uan Juan
43 037-31553 API NUMBER	Undie	OF LEASE
CHECK OFF:		
PLAT	BOND	NEAREST WELL
LEASE	FIELD	POTASH OR OIL SHALE
PROCESSING COMMENTS:		
Water Purnet 09-170	a (TU4794)	
APPROVAL LETTER:		
SPACING: R6.5-2-3	NA	R615-3-2
CAL	NA USE NO. & DATE	9615-3-3
STIPULATIONS:		
CC: BIA		



State of Utah DEPARTMENT OF NATURAL RESCURCES DIVISION OF OIL, GAS AND MINING

355 West North Temple 3 Triad Center Suite 350 Salt Lake City Utah \$41\$0 1203 \$01 53\$ 5340

September 22, 1990

Chuska Energy Company P. O Box 780 Farmington, New Mexico 87499

Gentlemen:

Re: Monument 18H #2 - SE NE Sec 18, T 40S, R 25E - San Juan County, Utah 2120' FNL, 385' FEL

Approval to drill the referenced well is hereby granted in accordance with Rule R6I5-3-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval

- 1. Spudding notification within 24 hours after drilling operations commence.
- Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
- 3 Submittal of the Report of Water Encountered During Drilling, Form 7.
- Prompt notification if it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (80l) 538-5340, (Home) 571-6068, or Jim Thom; son, Lead Inspector, (Home) 298-9318
- 5. Compliance with the requirements of Rule R6I5-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules

Page 2 Chuska Energy Company Monument 18H #2 September 22, 1990

- 6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (80I) 538-6121.
- 7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date

The API number assigned to this well is 43-037-31553

Sincerely,

Associate Director, Oil & Gas

tas Enclosures

cc: Bureau of Land Management Bureau of Indian Affairs

J. L. Thompson

we14/1-18

May 17, 1991

Ms. Vicki Kearney Utah Oil & Gas Commission 355 West North Temple Three Triad Center Suite 350 Salt Lake City, Utah 84180-1 03

Dear 's Yearney:

Please keep all Chuska Energy Company data confidential until further notice.

Thanks,

Aus

Herbert P. Mosca Chuska Staff Geologist

REGETYETT

DIVISION OF OIL GAS & MINING STATE OF UTALL DIVISION OF UTL. GAS AND MINING ENTITY ACTION FORM - FORM 6

OPERATOR CHUSKA ENERGY COMPANY OPERATOR ACCT NO 19290

Phone No ()

ADDRESS

ACTION	LURRENT	NEH	Al	WELL NAME				LOCATIO	n I	SPUD	EFFECTIVE
CODE	ENTITY NO	ENTITY NO.	<u> </u>	/ to-	Óδ	SC	TP	RG	COUNTY	DAT	DATE
A	99999	11548	43-037-31518	NORTH RUINS 16L-1	NWSW	16	40s	25E	SAN JUAN		10-19-93
ELL 1 C	OIWENTS.										
				11							
A	99999	11549	43-037-31552	MONUMENT 17L-3	NWSW	17	40s	25E	SAN JUAN		10-19-93
IELL 2 (CONSENTS:					·		•	·		
				lml.							
A	99999	11550	43-037-31521	BARNES 18M #1	SWSW	18	40s	25E	SAN JUAN		10-19~93
HELL 3 (COLUMENTS:	•	 			·		<u></u>	·		
				1 1							
A	99999	11551	43-037-31553	MONUMENT 18H #2	SENE	18	40s	25E	SAN JUAN		10-19-93
ELL 4	OMMENTS:										
				<u> </u>							
A	99999	11552	43-037-31496	BIG BEND 7A-1	NENE	7	40s	26E	SAN JUAN		10-19-93
HELL 5 C	OIMENTS:	·	·			·		·	<u>, </u>		
									٨		
A	- Establish	new entity	on back of form) for new well (sin	gle well only)					L. CORDOVA	DOGM)	
С	- Re-assign	well from o	ling entity (group one existing entit	y to another existing entity					Signature	am	10.10
n E	– Ke-assign – Other (ex	well from o no, ni niafq	one existing entition whents section)	y to a new entity					ADMIN. ANALY	91	

NOTE: Use CONNENT section to explain why each Action Code was selected.

FEBRUARY 8, 1994

TO: WELL FILE

FROM: K. M. HEBERTSON

RE: Status, Monument 18H-2 43-037-31553 18-40S-05E

Per telephone conversation with the operator concerning the status of this well, it was determined that the well will not be drilled and the operator has acknowledged that the APD has expired. The operator has been informed that the APD will need to be refiled in order to drill this well at a future date.

As of the above date the APD has been rescinded and the file sent to the LA archives.

KMH